



*Office of the United States Attorney
District of Arizona*

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PHOENIX MAN PLEADS GUILTY TO OPERATING AS ILLEGAL MONEY TRANSMITTER

PHOENIX – Ali Kadhim Abu-Qelal, 32, of Phoenix, pleaded guilty here to one count of being an Illegal Money Transmitter. Abu-Qelal admitted in a plea agreement that between April 12, 2002 and January 6, 2003, he managed an unlicensed money transmitting business in which he wired over \$650,000 to a bank in Kuwait. The money was intended for recipients in Iraq.

Abu-Qelal accepted money from individuals within the U.S. who wanted to send money to individuals in Iraq and charged a five per cent fee for each transaction. Abu-Qelal deposited the money into one of his five accounts. Once the accounts reached between \$10,000 and \$20,000, he wired the money to Kuwait where it was subsequently transferred to his brother. His brother then transported the money to Iraq and delivered it to the designated individuals. Abu-Qelal indicated that they conducted approximately 42 wire transfers totaling over \$650,000 and admitted that he did not possess a State of Arizona license nor was he registered with the U.S. Treasury Department as required by law.

He is released pending sentencing which is set before U.S. District Court Judge Silver on June 5, 2006. A conviction for transactional money laundering carries a maximum penalty of five years in prison, a \$250,000 fine or both. In determining the actual sentence, Judge Silver will consult with the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge however is not bound by those guidelines in determining a sentence.

The investigation preceding the indictment was conducted by the Internal Revenue Service Criminal Investigation. The plea hearing occurred on March 13, 2006. The prosecution is being handled by David A. Pimsner, Assistant U.S. Attorney, District of Arizona, Phoenix.

CASE NUMBER: CR-05-0402-PHX-ROS
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